



# RAILROAD COMMISSION OF TEXAS

## HEARINGS DIVISION

OIL AND GAS DOCKET NO. 01-0280636

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THE APPLICATION OF EF ENERGY, INC. FOR A TEMPORARY EXCEPTION TO STATEWIDE RULE 32 FOR THE KOTHMANN-RANCH LEASE IN THE BRISCOE RANCH (EAGLEFORD) FIELD, FRIO COUNTY, TEXAS

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HEARD BY: Andres J. Trevino, P.E. - Technical Examiner  
Terry Johnson - Legal Examiner

HEARING DATE: March 5, 2013

APPEARANCES:

REPRESENTING:

APPLICANT:

Robert E. Dreyling

EF Energy, Inc.

### EXAMINERS' REPORT AND RECOMMENDATION

#### STATEMENT OF THE CASE

EF Energy, Inc. ("EF Energy") requests a temporary exception to Statewide Rule 32 to flare gas from the Kothmann-Ranch Lease, in the Briscoe Ranch (Eagleford) Field, Frio County, Texas. As of the hearing date the wells on the lease were hooked up to the sales line and only needed temporary exception for 60 days from the date the last exception expired.

All operators in the subject field were notified of the hearing, there were no objections filed, and no protestant appeared at the hearing.

The application is unprotested and the examiners recommend approval of the exception to Statewide Rule 32 to temporarily flare gas for the subject lease, as requested by EF Energy.

#### DISCUSSION OF THE EVIDENCE

Statewide Rule 32 governs the utilization of gas well gas and casinghead gas produced by oil and gas wells under the jurisdiction of the Railroad Commission. In the

subject application, EF Energy is requesting to flare gas produced by the subject lease, as provided in Statewide Rule 32(h).

The subject lease in this application is completed in the Briscoe Ranch (Eagleford) Field, located in Frio County, Texas. The well is located northeast of the town of Orelia, Texas, in an area that lacks existing oil and gas infrastructure for new production. EF Energy testified that, at the time of completion, there was limited gas pipeline infrastructure available to the lease in this request. EF Energy and Texstar executed a gas purchase contract in February 2012. .

Statewide Rule 32(h)(2) st Rule 32 for a particular well or lease for 60 days. Such permit may be granted for a total of 180 days. EF Energy applied for and received administrative permits to flare casinghead gas from the subject lease for a total of 180 days. ipulates that the Commission may administratively grant an exception to Statewide The last 135 day exception expired on January 6, 2013. On February 1, 2013 the wells on the Kothmann-Ranch Lease were hooked up to the sales pipeline and was no longer flaring gas. The wells on the lease include the 3ST, 5H, 6BH and the 7H. EF Energy is requesting the exception to Statewide Rule 32 to flare a volume of less than 100 MCFGPD for the Kothmann-Ranch Lease, from January 7, 2013 through March 7, 2013, the period of time 60 days from the expiration of the last administrative approval.

#### **FINDINGS OF FACT**

1. Proper notice of this hearing was given to all operators in the Briscoe Ranch (Eagleford) Field at least ten days prior to the date of hearing. There were no protests to the application.
2. The subject lease in this application is completed in the Briscoe Ranch (Eagleford) Field, located in Frio County, Texas.
  - a. The lease is located northeast of the town of Orelia, Texas, in an area that lacks existing oil and gas infrastructure for new production.
  - b. At the time of completion, there was limited gas pipeline infrastructure available to the subject lease.
  - c. EF Energy and Texstar executed a gas purchase contract in February 2012.
3. EF Energy received administrative Permit No. 11698 to flare 350 MCFPD of casinghead gas from its Kothmann-Ranch Lease (15735), that went into effect July 9, 2012 and expired on January 6, 2013, after two extensions totaling the maximum 180 days.

4. Statewide Rule 32(h)(2) stipulates that the Commission may administratively grant an exception to Statewide Rule 32 for a period no greater than 180 days.
5. On February 1, 2013, the Kothmann-Ranch Lease was connected to the sales pipeline and was no longer flaring gas other than upsets.
6. An exception to Statewide Rule 32 to flare 100 MCFGPD for Kothmann-Ranch Lease, from January 7, 2013 through March 7, 2013, will cover the period of time 60 days from the expiration of the last administrative approval.

**CONCLUSIONS OF LAW**

1. Proper notice was issued as required by all applicable statutes and regulatory codes.
2. All things have occurred and been accomplished to give the Commission jurisdiction in this matter.
3. Approval of the requested exception to Statewide Rule 32 to flare gas for the subject lease will prevent waste, will not harm correlative rights, and will promote development of the field.

**EXAMINERS' RECOMMENDATION**

Based on the above findings of fact and conclusions of law, the examiners recommend that the Commission grant an exception to Statewide Rule 32 for the subject lease, as requested by EF Energy, Inc.

Respectfully submitted,



Andres J. Trevino, P.E.  
Technical Examiner



Terry Johnson  
Legal Examiner